



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



DARLENE GREEN
Comptroller

Internal Audit Section

DR. KENNETH M. STONE, CPA
Internal Audit Executive

Camahan Courthouse Building
1114 Market St., Room 642
St. Louis, Missouri 63101
(314) 622-4723
Fax: (314) 613-3004

September 3, 2009

Meg Ebersoldt, Project Director
Lackland Acquisitions II, LLC, d/b/a Healthcare Strategic Initiatives
1836 Lackland Hill Parkway
St. Louis, MO 63146

RE: Ryan White Part A (Project #2009-DOH16)

Dear Ms. Ebersoldt:

Enclosed is a report of our fiscal monitoring review of Lackland Acquisitions II, LLC, d/b/a Healthcare Strategic Initiatives, a not-for-profit organization, Ryan White Part A program, for the period August 1, 2008 through April 30, 2009. The scope of a fiscal monitoring review is less than an audit, and as such, we do not express an opinion on the financial operations of Lackland Acquisitions II, LLC, d/b/a Healthcare Strategic Initiatives. Fieldwork was completed on June 26, 2009.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised and has been conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and through an agreement with the City of St. Louis Department of Health (DOH) to provide fiscal monitoring to all grant sub-recipients.

If you have any questions, please contact the Internal Audit Section at (314) 622-4723.

Sincerely,

Dr. Kenneth M. Stone, CPA
Internal Audit Executive

Enclosure

cc: David Fagala, Accountant II, Department of Health
Amber Wagner, Grants Administer, Department of Health



CITY OF ST. LOUIS CITY OF ST. LOUIS

**DEPARTMENT OF HEALTH (DOH)
RYAN WHITE PART A**

**LACKLAND ACQUISITIONS II, LLC, D/B/A
HEALTHCARE STRATEGIC INITIATIVES
CONTRACT #HD-09-18
CFDA #93.914**

**FISCAL MONITORING REVIEW
AUGUST 1, 2008 THROUGH APRIL 30, 2009**

PROJECT #2009-DOH18

DATE ISSUED: SEPTEMBER 3, 2009

**Prepared by:
The Internal Audit Section**



OFFICE OF THE COMPTROLLER OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

**CITY OF ST. LOUIS
DEPARTMENT OF HEALTH
RYAN WHITE PART A
LACKLAND ACQUISITIONS II, LLC, D/B/A/
HEALTHCARE STRATEGIC INITIATIVES
FISCAL MONITORING REVIEW
AUGUST 1, 2008 THROUGH APRIL 30, 2009**

TABLE OF CONTENTS

<u>Description</u>	<u>Page(s)</u>
INTRODUCTION	
Background	1
Purpose	1
Scope and Methodology	1
Exit Conference	1
SUMMARY OF OBSERVATIONS	
Conclusion	2
Status of Prior Observations	2
A-133 Status	2
Summary of Current Observations	2

INTRODUCTION

Background

Contract Name: Healthcare Strategic Initiatives (HSI)

Contract Number: HD-09-18

CFDA Number: 93.914

Contract Period: August 1, 2008 through July 31, 2009

Contract Amount: \$68,743

This contract provided funds from the Department of Health (DOH), Ryan White Part A grant to the Lackland Acquisitions II, LLC, d/b/a Healthcare Strategic Initiatives (Agency) to provide a mechanism for authorization, delivery, reimbursement, and reporting of the HIV-related range of medical care services, oral health care services, and medications. These funds also provide procurement for case management services for Missouri residents living with HIV and/or AIDS and assisting them to receive appropriate healthcare and treatment.

Purpose

The purpose was to determine the Agency's compliance with federal, state and local DOH requirements for the period August 1, 2008, through April 30, 2009, and make recommendations for improvements as considered necessary.

Scope and Methodology

Inquiries were made regarding the Agency's internal controls relating to the grant administered by DOH. Evidence was tested supporting the reports the Agency submitted to DOH and other procedures were performed as considered necessary. Fieldwork was completed on June 26, 2009.

Exit Conference

An exit conference was not considered necessary because there were no current observations.

SUMMARY OF OBSERVATIONS

Conclusion

No evidence was found to suggest that the Agency did not fully comply with federal, state and local DOH requirements.

Status of Prior Observations

The Agency's previous fiscal monitoring report, Project #2009-DOH6, issued April 8, 2009, contained no observations.

A-133 Status

The Agency was required to have an A-133 Audit for its year ending December 31, 2007, because it expended over \$500,000 in federal awards.

The report was dated August 20, 2008, did not have any findings or questioned costs regarding the federal awards. The report identified no material weaknesses or reportable conditions considered to be material weaknesses in the agency's internal controls over major programs. An unqualified opinion was issued in the report on compliance for the major programs. The agency qualified as a low-risk auditee as defined in OMB Circular A-133. An audit of the financial statements of the Agency was not performed. As permitted by section 510(a) of OMB Circular A-133, a program specific audit was performed.

Summary of Current Observations

There are no current observations.